

Attachment 4

**NOAA REAL PROPERTY CAPITAL/OPERATING
LEASE DETERMINATION WORKSHEET (Rev. 04/11/01)**

Installation Number: _____

Installation Name: _____

NOAA's Policy Regarding Leases

Lease Term	Total Lease Payments	Capital Lease Criteria Met	Lease Type	Reporting Requirements
≤ 1 year	N/A	N/A	Operating	None
> 1 year	<\$200,000	N/A	Operating	None
> 1 year but < 2 years	≥\$200,000	N/A	Operating	Future Minimum Lease Payments
≥ 2 years	≥\$200,000	No	Operating	Future Minimum Lease Payments
≥ 2 years	≥\$200,000	Yes	Capital	Asset property and offsetting Capital lease liability: Future Minimum Lease Payments (Funded/Unfunded): Imputed Interest: Executory Cost

PART I1. Any "yes" response indicates an **operating** lease:**Yes** **No**

- | | | |
|-----|-----|---|
| ___ | ___ | GSA Space assignment. |
| ___ | ___ | Lease for tower space. |
| ___ | ___ | Easement or license. |
| ___ | ___ | Permit with other federal agency. |
| ___ | ___ | Lease with airports or airport authorities (govt. owned). |
| ___ | ___ | Lease with port authorities. |
| ___ | ___ | Lease with State, Local or Tribal Government. |
| ___ | ___ | Lease with State-owned University. |
| ___ | ___ | Lease term (base period plus any option periods) less than one year. |
| ___ | ___ | Total cost of the lease (excluding executory costs) over lease term (base period plus any option periods) is less than \$200,000. |
| ___ | ___ | Lease term (base period plus any option periods) is greater than one year but less than two years. |

(If responses were all “no,” continue to Part II.)

PART II (See also supplement on page 3)

Any “yes” response below indicates a **capital** lease.

Yes **No**

1. Transfers ownership to lessee at end of term.
2. Provides bargain purchase option at end of term.

Criteria 3 and 4 below **do not apply** if the beginning of the lease term falls within or beyond the last 25% of the total economic life of the property. Part A on Page 3 of this document should be used to make the determination. If the lease term is within the last 25% of the total economic life proceed to Part III.

Yes **No**

3. Lease term (base period plus any option periods) equal to or greater than 75% of estimated economic life of the leased property.

(Note: If the actual value of the lease payments, excluding executory costs, is less than 90% of the fair market value of the property, the present value of the lease costs will be less than 90% of the fair market value of the property also, and check “no” in item 4 below.)

Yes **No**

4. The present value of the lease payments, excluding executory costs, over the term (base period plus any option periods) equals or exceeds 90% of the fair market value of the leased property.

Note: If the lease is for part of a building you must determine the fair market value of that part of the building. First divide the square footage leased (LF) by the total square footage (TF). Next multiply the fair market value of the building by (BV) by that result to arrive at the fair market value of the leased space (SV).

$$LF/TF \times BV = SV$$

PART III

DETERMINATION Operating Capital

Signed: _____ Date _____
Realty Specialist/Contracting Officer

CAPITAL LEASE INFORMATION
(Supplement to Part II)

A. Determine the remaining estimated economic useful life and the lease term period.

1. Enter the remaining estimated economic useful life:

2. Enter the lease term:

3. Enter the estimated economic useful life:

Yes No

4. Is the remaining economic useful life within or
beyond the last 25% of the
total estimated useful life? (Remaining useful
life/total useful life) _____

(If yes, then only evaluate this lease using the first two
capitalization
criteria on Part II of the lease determination worksheet.)

5. Is the lease term greater than or equal to 75% of the
estimated
economic

Useful life of the asset?

**B. Determine the amount of future lease payments that are
funded and unfunded.**

1. Enter the future lease payments that are funded:

2. Enter the future lease payments that are unfunded:

C. Determine the proper amortization period.

Yes No

1. Did the lease meet capitalization criteria number 1 or 2 in Part II of the lease determination worksheet?

(If yes, the asset is amortized over the remaining economic useful life of the asset. Enter the remaining economic estimated useful life of the asset, and do not answer the next question.)

2. Did the lease meet capitalization criteria number 3 or 4 in Part II of the lease

determination worksheet?

(If yes, the asset is amortized over the lease term or life of asset, whichever is less. Enter the lease term or life of asset, whichever is less.)